

DIVISION OF ACCOUNTS AND REPORTS POLICY AND PROCEDURE MANUAL

Revision Date 12/22/98

Date Issued 03/74

Revisions throughout

Filing Number 11,961

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SUBJECT

Warrant Cancellations

PURPOSE

To provide procedures for canceling miscellaneous warrants issued by the State of Kansas.

AUTHORITATIVE REFERENCE

None

GENERAL INFORMATION

Introduction

The State of Kansas issues several types of warrants for payment of obligations for goods, services, refunds or benefits. When a warrant is issued by a state agency, a corresponding charge or reduction is made to a designated fund or funds controlled by that agency. Occasionally, the need arises to cancel a warrant. When a warrant is cancelled, the corresponding charges to the agency funds associated with the issuance of the warrant must be reversed. The Division of Accounts and Reports has the responsibility of processing the fund reversal transactions in STARS as well as other adjustment transactions associated with the cancellation of the warrant.

Cancellation of Previously Duplicated or Outlawed Warrants

If the original warrant is located after a duplicate warrant has been issued or after the warrant has been outlawed, ***do not*** cancel the warrant using the steps outlined in this filing. Cut a triangular section out of the signature section of the warrant and return the original warrant to the Audit Services Team of the Division of Accounts and Reports, along with an explanatory memorandum or letter. Refer to PPM filing 11,963, Issuance of Duplicate Warrants, or PPM filing 11,965, Payments of Previously Outlawed Warrants, for additional information.

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PROCEDURES

The procedures described below are specific to STARS warrants. Agencies who issue warrants through systems other than STARS (e.g., tax, KAECSSES, Benefit) may have alternate procedures for warrant cancellations developed jointly by the agency and the Division of Accounts and Reports.

Responsibility	Action Step
State Agency	<ol style="list-style-type: none">1. Verify that the warrant should be cancelled and, if the warrant has not been lost and is available, cut a triangular section out of the warrant in the signature area.2. Locate the warrant information in the warrant register, and note "CANCELLED" and the current date on the warrant register.3. Prepare a transmittal memorandum with an explanation for the cancellation. If the warrant has been lost, provide sufficient warrant information in the memorandum so that the warrant can be identified by the Audit Services Team, Division of Accounts and Reports. If the payment was processed against an encumbrance, note on the memorandum if the funds are to be restored to the encumbrance. Forward the memorandum with the warrant, if available, to the Audit Services Team.
Accounts and Reports	<ol style="list-style-type: none">4. If the warrant has been lost and does not accompany the cancellation request, locate the warrant listing in the appropriate warrant register and prepare a facsimile warrant. Verify with the State Treasurer by telephone that the warrant is still outstanding. Complete two copies of form DA-41, Stop Payment Notice. Send the original DA-41 to the Treasurer for their records, and file the remaining copy.5. Pull the paid voucher which supports the warrant if voucher was processed by the Audit Services Team.6. Enter the cancellation transaction into STARS. This will update the STARS files and create a cancelled warrant transaction. Stamp "CANCELLED" and the current date on the warrant. Also stamp "CANCELLED" on the voucher

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and record the warrant number and cancellation date on the voucher.

7. If the payment was processed against an encumbrance and the agency noted the funds to be restored, pull the encumbrance document and prepare a document, such as a DA-107 (Encumbrance Authorization or Adjustment) or a journal voucher, to reestablish the funds in the encumbrance.
8. Locate entry in warrant register. Enter "CANCELLED" and the cancellation date next to the warrant number.
9. Review DAFR4850, Warrant Cancellation Report, to verify that all transactions processed. If the cancellation suspends, investigate the cause. Correct the information in the suspense file and release the batch to process in STARS.

If the warrant being cancelled was issued in a prior fiscal year and the prior year account to which the warrant was changed has been closed, notify the Central Accounting Services Section to reinstate the prior year account.

10. Complete form DA-36, Rejection or Notice of Change, attach copy of the agency's cancellation request, and forward to the agency. File documentation in the cancelled warrant files.

CONTACT SOURCES

Requests for information concerning the cancellation of non-payroll warrants should be directed to:

Division of Accounts and Reports
Central Accounting Services Section
Audit Services Team